Health Care Reform Coordinating Council
Staff Recommendations

November 16, 2010

Council Work Plan

- **Phase 1** – Assessment of Health Reform (May-mid July, for July Report)
  - Public comments guided Interim Report
- **Phase 2** – Discussion and Development of Options (mid-July to end of October)
  - Active workgroups focused on key implementation issues
  - Workgroup Papers presented to Council October 31
- **Phase 3** – Review Options and Develop Initial Recommendations (November 16th Council Meeting)
  - Public hearings: November 22, 23 and December 1, 2
- **Phase 4** – Finalize Recommendations and issue report (December 17th Council Meeting)

Workgroup Process

- Six Workgroups established
- Gathered input on a broad range of implementation issues
- Identified issues that require immediate attention
- Opportunity to identify critical issues and sequence critical decision making
- Workgroups still just the beginning of reform implementation

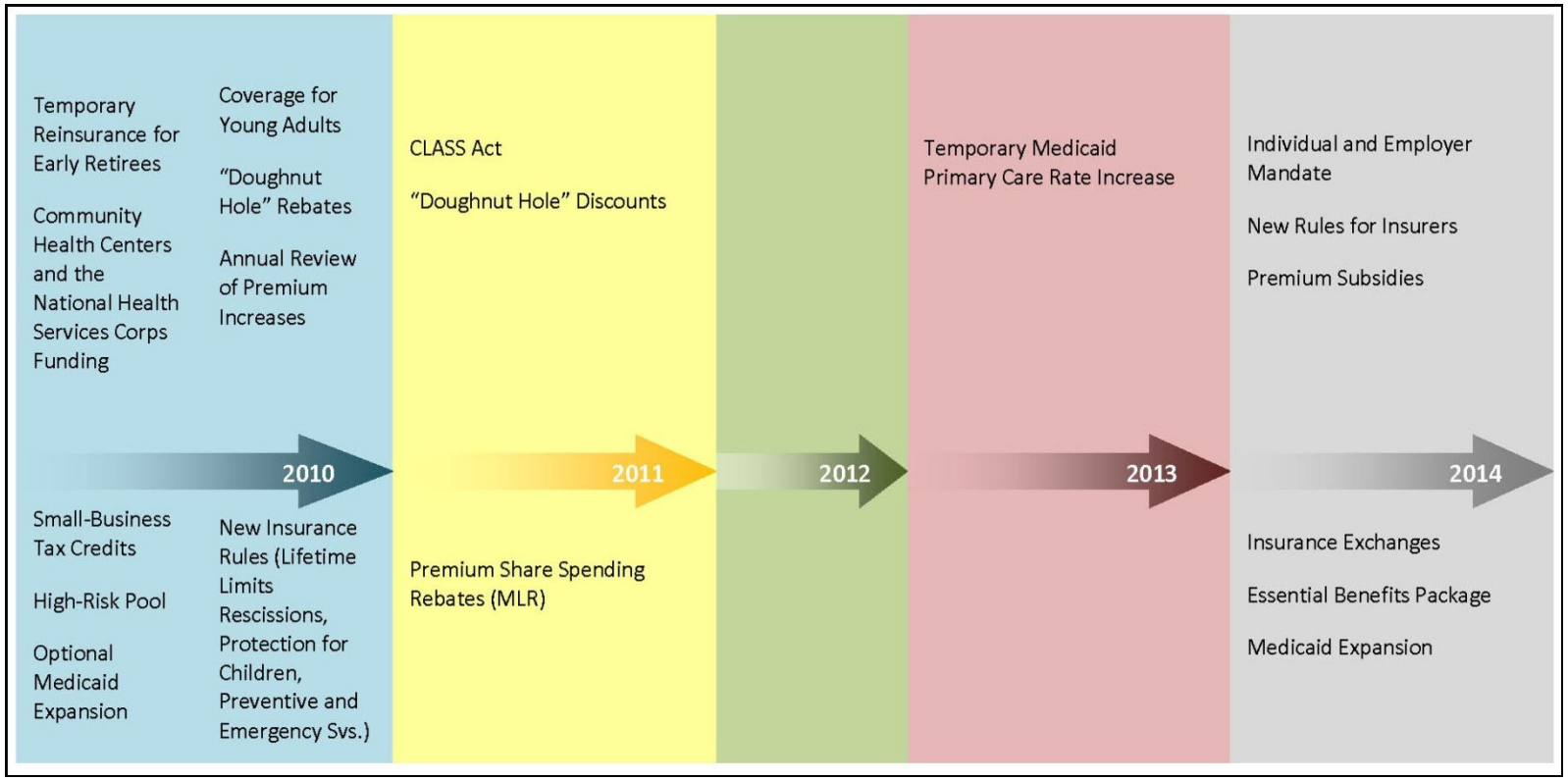
Implementation Goals
Identified in HCRCC Interim Report

1. Improve the health of all Marylanders, with particular focus on health equity
2. Develop a consumer centric approach to both coverage and care
3. Use tools provided by reform to improve quality and contain cost

Implementation Goals
Identified in HCRCC Interim Report (continued)

4. Think broadly and creatively about strategies to promote access to affordable coverage and mitigate risk selection
5. Prepare and expand the health care workforce to meet the new demands
6. Lead the nation in tapping the full potential of reform to improve health

Effective Dates for Major Health Care Reform Initiatives



Focus of Staff Recommendations

- Outgrowth of broad vision and long term goals set forth in Interim Report
- Focused approach outlining first steps of implementation
  - Necessary to meet federal timelines
  - Necessary because of foundational nature

Recommendation Topics

- Exchange and Insurance Markets
- Entry into Coverage
- Education and Outreach
- Public Health, Safety Net and Special Populations
- Workforce
- Delivery System
- Health Disparities
- Employer Sponsored Insurance
- Leadership and Oversight for Health Care Reform

Exchanges – ACA Requirements

- Individuals and small employers will be able to purchase coverage through state-based exchanges in 2014
  - Standardized information to facilitate plan comparisons
  - Premium and cost-sharing subsidies available
- Premium tax credits for eligible individuals and families with incomes up to 400% of poverty ($88,000 for family of four) who purchase coverage in Exchanges
- Cost sharing subsidies for those with incomes up to 250% FPL to reduce out-of-pocket costs
- Exchange must verify income and citizenship status

Exchanges – ACA Requirements

- States must create exchanges by 3/23/2012
  - Exchanges must be operational by 1/1/2014
  - If states do not act, Federal government will establish the state-based exchange by 1/1/2013
- Exchanges can be non-profit or state-operated; can be multi-state
- Exchanges must be financially self-sustaining by 2016

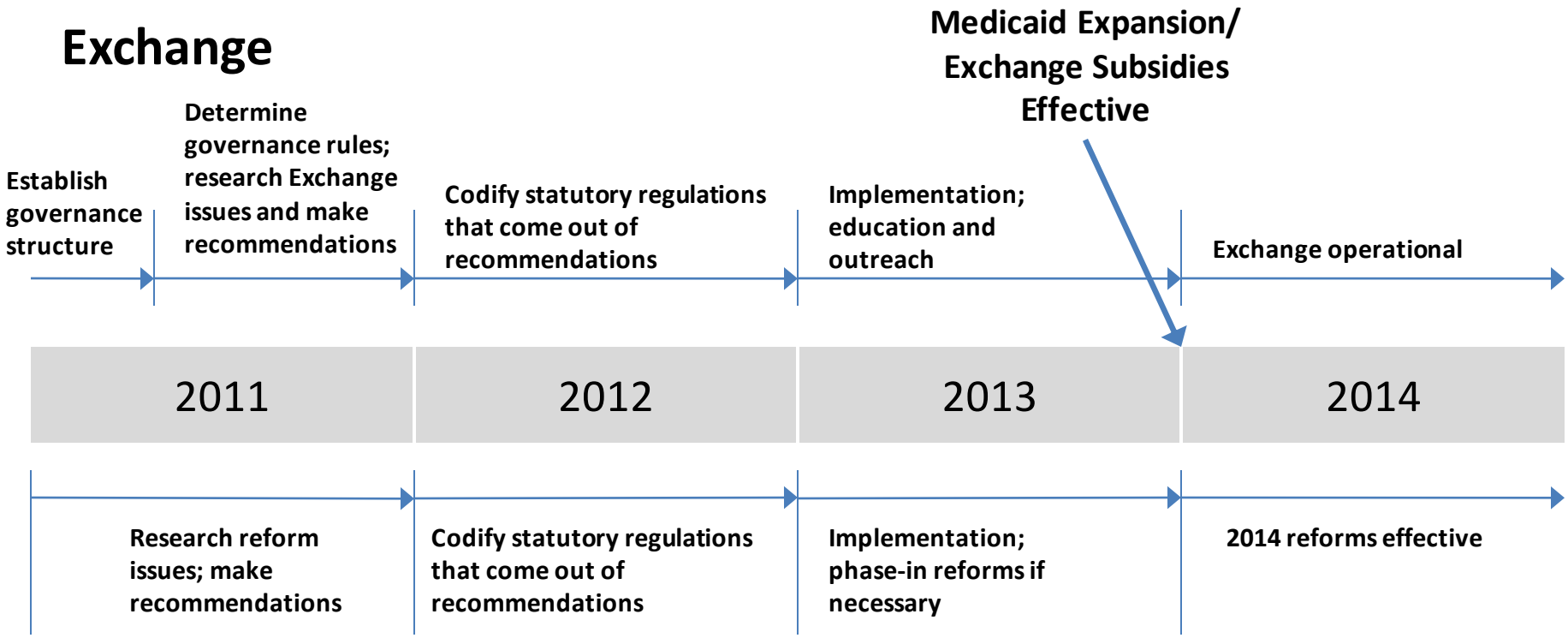
Exchanges – Federal Support in Development

- Maryland received approximately $1 million to develop IT systems for Exchange and other planning activities
- Exchange Implementation Grant –
  - Awaiting federal guidance on timing and requirements; grant applications could be as early as February 2011
- Early Innovator Cooperative Agreement – Recently announced opportunity to work closely with federal government to develop model IT systems for exchange that can be shared by other states
  - Awaiting federal guidance on potential funding

Exchange and Insurance Markets – Issues Discussed

- Governance structure
- Functions of the Exchange
- Basic organization and market structure
- Coordinated contracting with Medicaid
- Regional contracting
- Navigator function
- Phase in reforms
- Definition of small employer
- Self-sustaining financing

Proposed Implementation Schedule for Exchange and Insurance Market Reforms in Maryland



Insurance Market Reforms

Exchange and Insurance Market - Staff Recommendation

1. **Establish basic structure and governance of Health Insurance Exchange**:
   - Create an independent public entity that will constitute Maryland's Health Insurance Exchange
   - New Exchange will be able to move forward with implementation to meet the ACA's requirement that exchanges be operational by January 1, 2014
   - Initial steps should include the creation of a Board, governing principles for procurement, personnel, and transparency, and an appropriate mix of authority to begin some implementation activities immediately and to develop future recommendations for others

Entry into Coverage

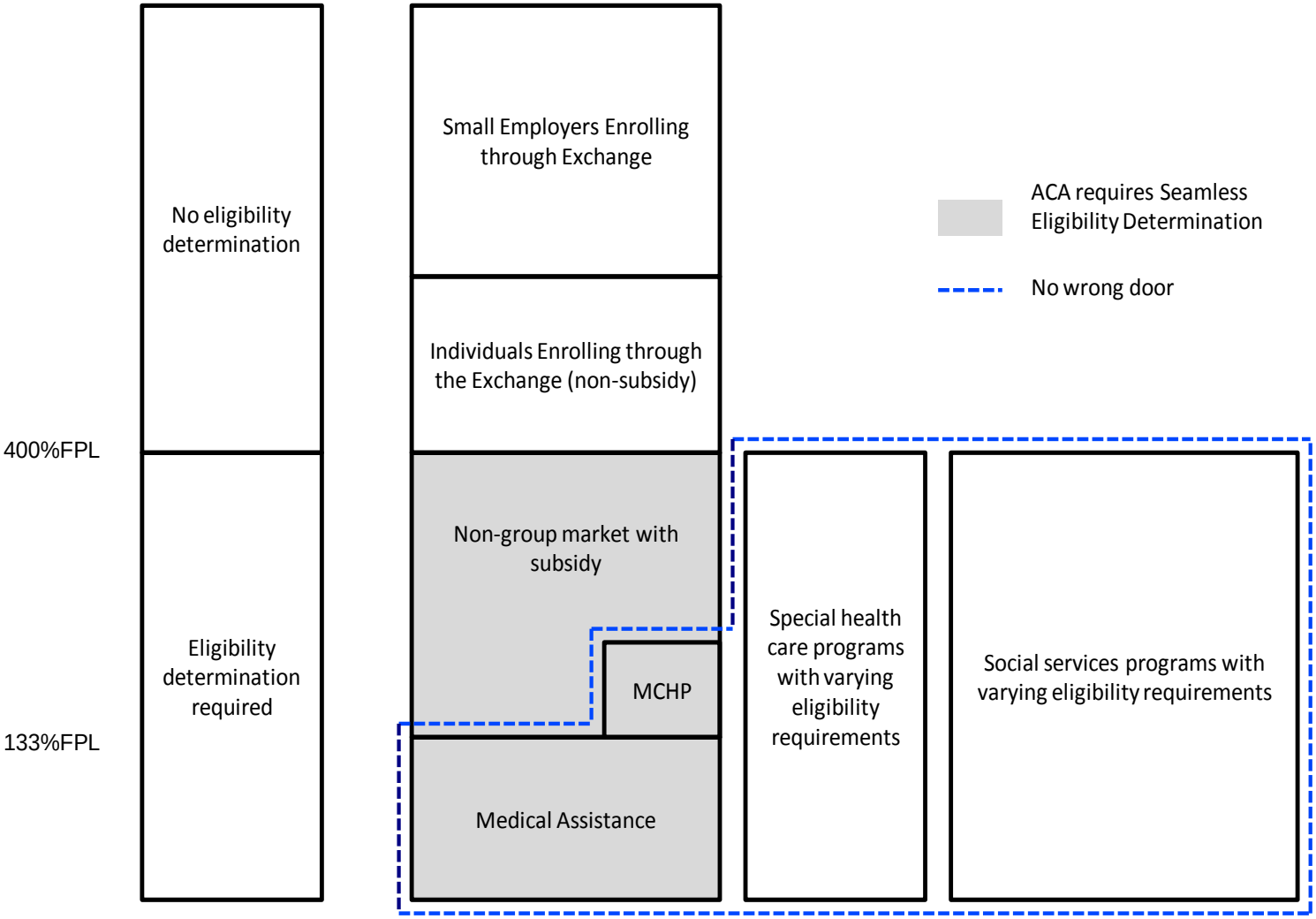
- Entry into Coverage includes:
  - Eligibility – The structure, processes and policies to determine eligibility for individuals in Medicaid, MCHP and income based premium credits offered through an Exchange
  - Enrollment – The point of access for individuals and small businesses to enroll in health plans offered through the Exchange
- Workgroup focused attention on systems to determine income based eligibility for health programs
- Too many unknowns about Health Exchange to address systems for enrollment into health plans

Entry to Coverage – ACA Requirements

- Consumer-Friendly and Coordinated
  - "No Wrong Door" -Applicants are screened for all health subsidy programs and enrolled in the appropriate program
  - Seamless transition between programs
- Simplified
  - Uniform income rules and application forms
  - Use of data matching and verification
- Technology-Enabled
  - Web Portals (www.healthcare.gov)
  - On-line applications
  - Secure exchange of data across programs,

Source: Kaiser Commission on Medicaid and Uninsured, Presentation to Workgroup, August 16, 2010

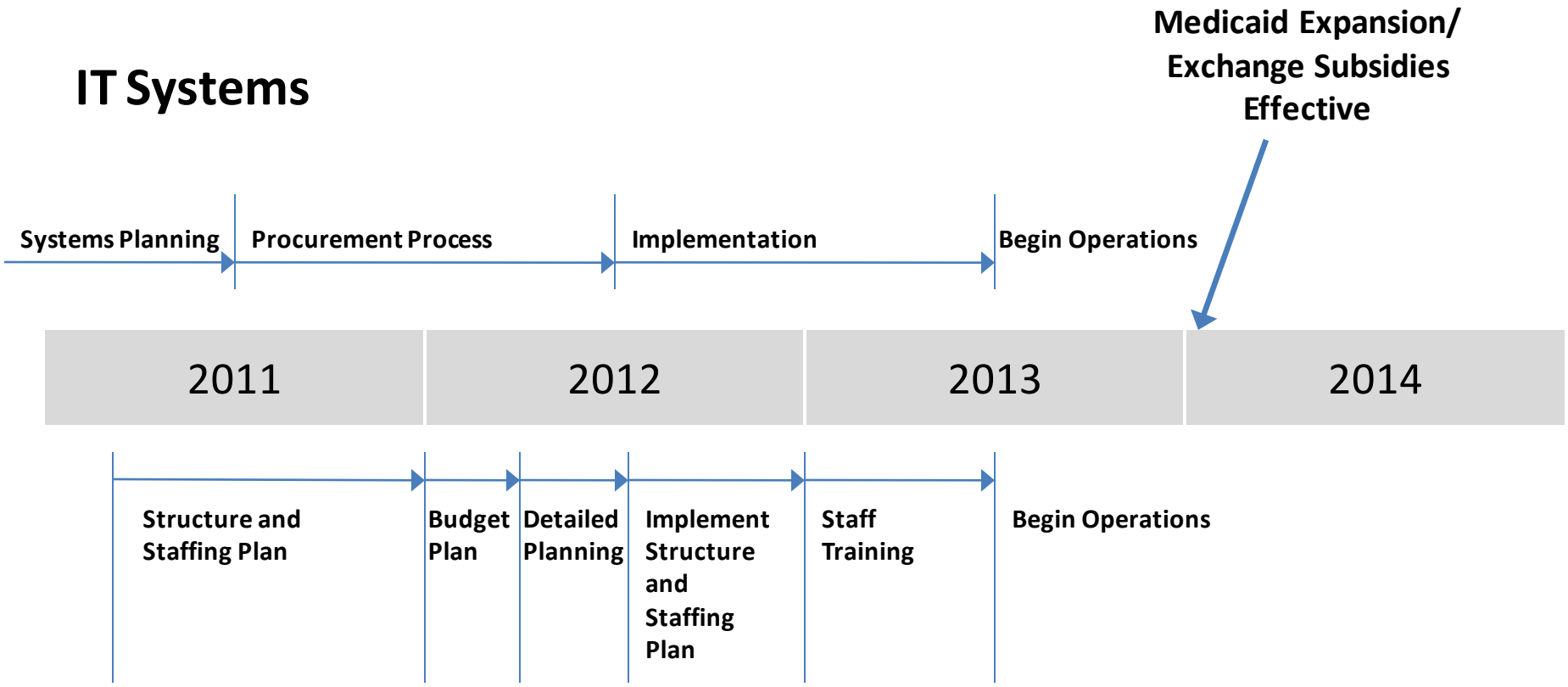
Coordination of Eligibility Determination



Entry into Coverage – Issues Identified

- Structural options – organization(s) responsible for eligibility determinations (central and local functions)
- Use of new income standards – Modified Adjusted Gross Income (MAGI)
- Role of website(s)
- Assistance with eligibility
- Hotline/Helpline
- Strategies to achieve No Wrong Door (health and social services)
- Policies that expedite or maintain eligibility
- Data driven enrollment
- Empowering consumers to enroll
- Option of expanding Medicaid before 2014
- Address Medicaid eligibility issues for Aged, Blind and Disabled and nursing homes

Proposed Implementation Schedule for IT Systems and Structure in Maryland



Entry Into Coverage - Staff Recommendation

2. **Continue development of State's plan for seamless entry into coverage, maximizing federal funding**
   - **Assess options based on technical feasibility by 2014 implementation and consistency with the goals**:
     a. Income based eligibility determination policy and process should be dramatically simplified relative to the current policy and process for Medicaid and MCHP;
     b. Eligibility determinations should be integrated and seamless (across both health and public assistance programs);
     c. Eligibility policy and process should reflect the culture of insurance (where all individuals have insurance coverage as required by the federal mandate) envisioned by ACA and called for in the Interim Report of the HRCCC;
     d. There should be a "No Wrong Door" approach to applying for coverage (across both health and public assistance programs).
     e. Eligibility and enrollment into health plans should be part of a continuous process rather than distinct systems.

Education and Outreach

- Outreach and education important to success of reform implementation
  - Health reform is complex
  - Public understanding and engagement is essential to success
- Current efforts fragmented
- Comprehensive and culturally sensitive approach is needed inform different groups - consumers, providers, employers, brokers, insurers, and special populations

Education and Outreach - Staff Recommendation

3. **Develop centralized outreach and education strategy**
   - Central role should be a part of on-going oversight and leadership for health reform
   - Funding for comprehensive communications plan will support efforts
   - Primary role of centralized strategy is to formalize public/private coalition and support with development of template materials

Public Health, Safety Net and Special Populations

- Issues related to public health, safety net and special populations inter-related with many implementation issues
- Areas of consensus identified by Workgroup relevant to many implementation decisions:
  a. Health insurance coverage is necessary, but not sufficient to improve health outcomes
  b. Maintain support for safety net programs because some individuals will continue to be uninsured or may have needs not met by insurance
  c. Continuity of care is particularly important for special populations
  d. There is an opportunity to improve the coordination and delivery of care for uninsured individuals

Public Health, Safety Net and Special Populations (continued)

e. The traditional business model of some safety net providers may need to change to take full advantage of reform

f. Opportunity to improve collaboration between public and safety net

g. Maryland may need to maintain funding for services excluded from the federal Essential Health Benefits. Comprehensive benefits are particularly important for individuals covered by Medicaid.

h. Integrate and coordinate behavioral health services to improve patient care

i. The public health infrastructure provide unique functions that will need to continue following reform implementation.

j. Implementation should address the barriers to care that some special populations may face

Public Health, Safety Net and Special Populations – Staff Recommendations

4. **Develop State and Local Strategic Plans to achieve improved health outcomes**
   - State Health Improvement Plan (SHIP)– Identify health priorities, set goals for health status, access, provider capacity, consumer concerns and health equity, monitor performance
   - Local Implementation Plans – Local Health Departments to lead local collaboration to achieve SHIP goals and identify systemic issues that should be addressed in SHIP
   - These plans should address opportunities to improve coordination of care for the remaining uninsured

Public Health, Safety Net and Special Populations – Staff Recommendations

5. **Encourage active participation of Safety Net providers in health reform and new insurance options**
   - Provide technical assistance to Safety Net Providers to prepare for reform changes
   - Streamline contracting for Local Health Departments

Public Health, Safety Net and Special Populations – Staff Recommendations

6. **Improve coordination of behavioral health and somatic services**
   - DHMH should study different strategies to achieve integration of mental health, substance abuse and somatic services, including statewide administrative structure and policy, financing that encourages coordination of care and delivery system changes to improve coordination
7. **Incorporate strategies to address potential barriers to care for special populations in reform implementation activities wherever possible**

Workforce

- Health reform and expansion of coverage puts additional pressure on existing workforce shortages
- Addressing workforce takes time and planning
- Need to look at the system as a whole

Workforce - Staff Recommendations

8. **Institute comprehensive health workforce planning**
   - Improve data and assess need
   - Better coordinate workforce efforts throughout the State
   - Use GWIB Health Care Workforce Development Planning Grant as a resource
9. **Support education and training**
   - Maryland Loan Assistance Repayment Program: Renew effort to secure federal approval for funding
   - Facilitate clinical training in the community
   - Promote non-traditional paths to workforce

Workforce - Staff Recommendations

10. **Explore licensure and administrative Improvements**:
    - Permit reciprocity for health occupations licensed in other states with certain safeguards
    - Incentivize volunteerism
    - Promote cultural competency training
    - Streamline Credentialing

Workforce – Staff Recommendations

11. Explore improvements to liability policy

- Medical Tort Litigation – Consider demonstration program to evaluate alternatives to current medical tort litigation when federal guidance becomes available
- Facilitate Medical Malpractice Coverage for Volunteers – Encourage hospitals, health systems and carriers to provide coverage for volunteer providers in community settings

Delivery System

- Success depends upon the transformation of the delivery system to improve health and contain costs
- Maryland has a number of ongoing initiatives consistent with these goals

Delivery System - Staff Recommendations

12. **Achieve cost savings and quality improvements through payment reform and innovations in health care delivery models**
    - Promote evidence-based practice by disseminating findings from comparative effectiveness research
    - Develop multiple payment reform demonstrations throughout the health system
    - Encourage MHCC's pilot of Patient Centered Medical Home. Encourage MHCC to consider inclusion of smaller practices and behavioral health

Delivery System - Staff Recommendations

13. **Promote improved access to primary care** - Work towards critical investment in Maryland's network of primary care providers by promoting deployment of some savings achieved through delivery system reform to increase Medicaid's primary care provider reimbursement rates

Health Disparities – Staff Recommendations

14. **Incorporate strategies to address health care disparities in reform implementation activities wherever possible**:
    a. State Health Improvement Plan and Local Implementation Plans – Significant component of plans identify disparities, implement strategies to address and monitor performance
    b. Comprehensive workforce planning – This will include engaging a diverse workforce and strengthening the safety net
    c. Promoting cultural competency training for health occupations
    d. Safety Net Technical Assistance – This will help safety net providers leverage opportunities of health reform to improve access and care for disparate populations that they serve

Health Disparities – Staff Recommendations

e. Education and outreach efforts that ensure cultural sensitivity and engage community based organizations.

f. Improved data collection and analysis - Data issues are foundational to understanding needs, targeting efforts and evaluating success.

- The State Health Improvement Plan and Local Implementation Plans are a part of building this foundation of data.
- In addition, MHCC has important on-going work to encourage common reporting of race and ethnicity among health plans.

Employer Sponsored Insurance - Staff Recommendation

15. Preserve strong base of employer sponsored insurance

- Bending cost curve needs to be a fundamental part of implementation
- Simplifying employer enrollment important

Leadership and Oversight of Health Reform Implementation – Staff Recommendation

16. Ensure continued leadership and oversight of health care reform implementation

- Continue Health Care Reform Coordinating Council through 2014 to monitor and coordinate progress on recommendations and other implementation activities
- Consider additional members to the Council such as the new leadership from the Health Exchange and GWIB

Questions and Discussion